

Retirement

Amendments to Senate Bill No. 152
3rd Reading Copy

EXHIBIT 21
DATE 3.26.07
SB 152

Requested by Representative Holly Raser

For the House Education Committee

Prepared by Susan Byorth Fox
March 26, 2007 (11:29am)

1. Title, line 18.

Following: "PAYMENT;"

Insert: "REVISING THE WAY THAT A SCHOOL DISTRICT OR FULL SERVICE EDUCATION COOPERATIVE CHARGES EMPLOYER CONTRIBUTIONS FOR RETIREMENT, SOCIAL SECURITY, AND UNEMPLOYMENT INSURANCE;"

2. Title, line 21.

Following: "20-9-327,"

Insert: "20-9-501,"

3. Page 29, line 3.

Insert: "Section 20. Section 20-9-501, MCA, is amended to read:

"20-9-501. **Retirement costs and retirement fund.** (1) The trustees of a district or the management board of a cooperative employing personnel who are members of the teachers' retirement system or the public employees' retirement system or who are covered by unemployment insurance or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The district's or the cooperative's contribution for each employee who is a member of the teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution for each employee who is a member of the public employees' retirement system must be calculated in accordance with 19-3-316. The district's or the cooperative's contributions for each employee covered by any federal social security system must be paid in accordance with federal law and regulation. The district's or the cooperative's contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

~~(2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the retirement fund for the following:~~

~~(i) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from state or local funding sources;~~

~~(ii) a cooperative employee whose salary and health-related~~

~~benefits, if any health-related benefits are provided to the employee, are paid from the cooperative's interlocal agreement fund if the fund is supported solely from districts' general funds and state special education allowable cost payments, pursuant to 20-9-321, or are paid from the miscellaneous programs fund, provided for in 20-9-507, from money received from the medicaid program, pursuant to 53-6-101;~~

~~(iii) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district's school food services fund provided for in 20-10-204; and~~

~~(iv) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district impact aid fund, pursuant to 20-9-514.~~

~~(b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the funding source that pays the employee's salary.~~

~~(3)(2)~~ The trustees of a district required to make a contribution to a system referred to in subsection (1) shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems in accordance with the financial administration provisions of this title.

~~(4)(3)~~ When the final retirement fund budget has been adopted, the county superintendent shall establish the levy requirement by:

(a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

(i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year;

(ii) oil and natural gas production taxes;

(iii) coal gross proceeds taxes under 15-23-703;

~~(iv) countywide school retirement block grants distributed under 20-9-631;~~

~~(v)(iv)~~ any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

~~(vi)(v)~~ any other revenue anticipated that may be realized in the retirement fund during the ensuing school fiscal year,

excluding any guaranteed tax base aid.

(b) notwithstanding the provisions of subsection ~~(9)~~ (8), subtracting the money available for reduction of the levy requirement, as determined in subsection ~~(4)~~ (a) ~~(3)~~ (a), from the budgeted amount for expenditures in the final retirement fund budget.

~~(5)~~ (4) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements; and

(b) report each levy requirement to the county commissioners on the fourth Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

~~(6)~~ (5) The county commissioners shall fix and set the county levy or district levy in accordance with 20-9-142.

~~(7)~~ (6) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

~~(8)~~ (7) The net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

~~(9)~~ (8) The county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection ~~(5)~~ (a) ~~(4)~~ (a) by the sum of:

(a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

~~(10)~~ (9) The levy for a community college district may be applied only to property within the district.

~~(11)~~ (10) The county superintendent of each county shall submit a report of the revenue amounts used to establish the levy requirements for county school funds supporting elementary and high school district retirement obligations to the superintendent

of public instruction not later than the second Monday in September. The report must be completed on forms supplied by the superintendent of public instruction."

{ Internal References to 20-9-501:

17-3-213

19-20-605

20-3-209

20-6-702} "

Renumber: subsequent sections

4. Page 32, line 3.

Strike: "[section 24(3)]"

Insert: "[section 25(3)]"

5. Page 33, line 20.

Strike: "22 through 24"

Insert: "23 through 25"

6. Page 33, line 21.

Strike: "22 through 24"

Insert: "23 through 25"

7. Page 33, line 25.

Strike: "26, and 28"

Insert: "27, and 29"

- END -